

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

March 5, 2004

ORDER

NORTHLAND TELEPHONE COMPANY OF MAINE  
d/b/a FAIRPOINT NEW ENGLAND  
Request for Modification of BSCA of Eagle Lake  
Exchange and for Approval of Related  
Tariff Pages

Docket No. 2004-108

VERIZON MAINE  
Request for Modification of Basic Service  
Calling Area for Ashland Exchange and for  
Approval of Related Tariff Pages

Docket No. 2004-137

WELCH, Chairman; DIAMOND and REISHUS, Commissioners

---

**I. SUMMARY**

We grant the requests, pursuant to Chapter 204, § 6(A), of Northland Telephone Company of Maine, d/b/a Fairpoint New England (Fairpoint) and Verizon Maine (Verizon) to modify the Basic Service Calling Area (BSCA) for the Fairpoint exchange of Eagle Lake and the Verizon exchange of Ashland. The modification will provide two-way local calling between the two exchanges. We also approve the related tariff pages for both companies, to become effective March 20, 2004.

**II. BACKGROUND**

On December 17, 2002, the most recently amended version of Chapter 204 of the Commission Rules went into effect. The Rule provided that the BSCAs of all exchanges would be expanded as necessary to include all contiguous exchanges not previously included in their BSCA. The Rule further established a process for expanding an exchange's BSCA where sufficient justification can be demonstrated, including consideration of the exchange's community of interest. The Rule provides that the cost for adding new exchanges may be recovered through increases in basic rates, as proposed by telephone companies and approved by the Commission. On December 15, 2003, the new BSCA routes were implemented statewide for all incumbent telephone companies.

On February 4, 2004, Fairpoint filed a request for modification of the BSCA for Eagle Lake pursuant to Section 6(A) of Chapter 204. The modification will provide two-way local calling between exchanges of Eagle Lake and Ashland. Eagle Lake is a Fairpoint exchange located in a rural northern area of the State. The only exchange physically contiguous to Eagle Lake is Fort Kent to the north. Fort Kent was included in

Eagle Lake's BSCA before the 2002 amendments to the BSCA Rule. The non-contiguous exchanges of Clair (New Brunswick, Canada) and St. Francis (Fairpoint) have also been included in the BSCA of Eagle Lake. The 2002 amendment to the BSCA Rule did not result in the addition of any new exchanges to the Eagle Lake BSCA. Nevertheless, like all Fairpoint exchanges, Eagle Lake's rates for local service increased during the past few months, because of a rate (revenue requirement) case for Fairpoint – necessitated by reducing access charges – and to offset the substantial revenue losses to Fairpoint associated with increasing calling areas in other exchanges, as well as instituting more uniformity in rates across all Fairpoint company customers.

On February 11, 2004, Fairpoint filed an amendment to its request asking that the Commission also waive any requirement that the Company must establish an Economy calling option with the addition of the Ashland exchange to the BSCA of the Eagle Lake exchange. Chapter 204, Section 3(A)(2)(a), states: "If, prior to the addition of a new exchange to a BSCA, the home exchange had only a Premium option, the revised Premium option will provide flat-rated unlimited calling to the entire BSCA, and the previous Premium option will become the flat-rated unlimited calling area of the Economy option." Fairpoint asks that the exception provided in Section 3(A)(2)(b) be applied. That exception states: "Proposal for Exception. At the request of a LEC or other person, the Commission may order that the LEC continue to provide only the premium option if, under the two options, there would be only a minimal difference between the number of exchanges and access lines available on a flat-rate unlimited calling basis." Eagle Lake customers do not currently have an Economy option and the company believes that the minimal difference in calling area as a result of the Ashland addition justifies the exception.

On February 19, 2004, Verizon filed its request for modification of the BSCA for the Ashland exchange. The filing is a complement to the Fairpoint filing in order to make the BSCA route two-way.

### III. DECISION

Customer concern regarding higher rates in Eagle Lake, in the absence of an increase in local calling area, was brought to the attention of the Commission and FairPoint. The concern is compounded by the fact that the nearby Ashland exchange to the south of Eagle Lake is not a contiguous exchange as defined by the Rule. Nevertheless, although the Ashland exchange is not physically contiguous to the Eagle Lake exchange (they have no common boundary), their boundaries are reasonably close, and there is no exchange located between them (only unserved territory). The distance between the rate centers for the two exchanges is significant, but one of the two population centers in the Eagle Lake exchange, Portage, is only 13 miles from Ashland, and the present distance between the exchange boundaries is only about five miles. A major highway, State Route 11, connects all three population centers. The commercial center of Ashland has many more services than either Eagle Lake or Portage. Finally, the networks of FairPoint and Verizon are connected by facilities that

are located along that road. Therefore, it is fair to consider the Ashland exchange as "virtually" contiguous to the Eagle Lake exchange.<sup>1</sup>

Accordingly, we

1. FIND that Northland Telephone Company of Maine, d/b/a Fairpoint New England, and Verizon Maine have presented adequate reasons under Section 6(A) of Chapter 204, § 6(A) to modify the Basic Service Calling Area for the exchanges of Eagle Lake and Ashland and we GRANT those requests. The modification will provide two-way local calling between the Fairpoint exchange of Eagle Lake and the Verizon exchange of Ashland. We also approve Fairpoint's request for an exception to the requirement to provide an Economy option subsequent to an increase in the BSCA. Finally, we approve the related tariff pages for both companies, to become effective March 20, 2004.

2. APPROVE the following tariff pages filed by Fairpoint on February 4, 2004:

Section 4, Page 9, Second Revision Replacing First Revision  
Section 8, Page 15, Third Revision Replacing Second Revision

3. APPROVE the following tariff pages filed by Verizon on February 19, 2004:

Part A, Section 6, Fifth Revision of Page 2  
Part A, Section 6, Second Revision of Page 11  
Part A, Section 10, Fifth Revision of Page 2

Dated at Augusta, Maine, this 5<sup>th</sup> day of March, 2004.

BY ORDER OF THE COMMISSION

---

Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR: Welch  
Diamond  
Reishus

---

<sup>1</sup> Both companies are subject to the requirements in Chapter 204, section 5(C), regarding the tracking account for the revenue effects of the expansion.

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.